STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple - Suite 1210 Box 145801

Salt Lake City, Utah 84114-5801 Telephone: (801) 538-5291 Fax: (801) 359-3940 3/5/05

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ANNUAL REPORT OF MINING OPERATIONS

DIV. OF OIL, GAS & MINING

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

| 1. Report Time Period: From (mo./yr.) | ge / 7 <i>E</i> | | |
|--|--|--|--|
| Mine Name: Kaikela Gold . Millsite Mineral(s) Mined (or permitted to mine): A - G . Az Type of mine Surface Mine or Underground Mine | ge | | |
| 4. Mineral(s) Mined (or permitted to mine): 5. Type of mine Surface Mine or Underground Mine | ge | | |
| 5. Type of mine Surface Mine or Underground Mine | ge | | |
| · · · · · · · · · · · · · · · · · · · | ge | | |
| 6. Legal Description (Location of Lands Affected): | ge | | |
| 2. 2-8m 2-0-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1- | ge | | |
| 1/4,1/4,1/4, Section3/, Township _3/_5, Range | | | |
| 1/4,1/4,1/4, Section, Township, Range | ;e | | |
| 1/4,1/4,1/4, Section, Township, Range | | | |
| 7. Name of Operator or Company: | | | |
| 8. Permanent Street Address: SWO Zie San Diege Davie, & | A Free | | |
| City, State, Zip: San Diego, CA 92108 | | | |
| Phone: 6, 9-209-6,24 Fax: 6, 9-209-6 | | | |
| 9. Company Representative (or designated operator): | | | |
| Name: 4 Dan Prote | | | |
| Title: ChiefGelons | | | |
| Business Address: 751 54 5 830 54 72 | | | |
| City, State, Zip: Pleasant Grove Ut L FYOLZ | | | |
| Phone: 90/3/- 42 Fz Fax: 901-791-0257 | | | |
| Please check if any of the above information has changed since previous year. | | | |
| II. Mining and Reclamation | | | |
| 1. Was there any mine related activity during the past year? Yes 🗷 No 🗆 | Was there any mine related activity during the past year? Yes ₺ No □ | | |
| 2. If no - what was the last year of activity? | | | |
| 3. If yes - how much one or mineral was mined? | | | |

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| 4. | Briefly describe the type of work performed, volume of material moved, and any new or additional surface disturbances that occurred during the past year. | | |
|----------------------|---|--|--|
| | | totals reclaiment under the | |
| | Superior of France | when the Harbacille who office | |
| 5, | How much additional acreage was dis | turbed during the past year? | |
| 6. | How much acreage was reclaimed during the past year? 911- en er er | | |
| 7. | Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results. | | |
| | w/ existing soll. Re | egled by Seal. | |
| 8. | What is the <u>total</u> disturbed acreage of | entire project at years end? | |
| 9. | Briefly summarize any mining and/or reclamation plans for the upcoming year. | | |
| | | | |
| NOTE: | Section III., "Additional Information" a | pplies only to large mining operations. | |
| III. <u>Addition</u> | al Information - R647-4-121.2 and .3 | | |
| 1. | The operator shall include an updated a performed during the year, prepared in | pap depicting surface disturbance and reclamation accordance with Rule R647-4-105. | |
| 2. | The operator shall keep and maintain timely records relating to his performance under the Act, and shall make these records available to the Division upon request. | | |
| IV. <u>Signatu</u> | re Requirement | | |
| I he | reby certify that the foregoing is true | and correct. | |
| | Name (Typed or Print): | a. Dan Park | |
| | Title of Operator: | Chief Contoust | |
| | Signature of Operator: | -WA | |
| | Date: | 02/22/2005 | |
| b | -4B | | |